

IN THE SENATE OF THE UNITED STATES.

JUNE 2, 1896.—Ordered to be printed.

Mr. HAWLEY, from the Committee on Military Affairs, submitted the following

REPORT:

[To accompany S. 2009.]

The Committee on Military Affairs, to whom was referred the bill (S. 2009) to simplify the system of making sales in the Subsistence Department to officers and enlisted men of the Army, have had the same under consideration, and report as follows:

The Secretary of War has transmitted to the committee the following communication from the Commissary-General of Subsistence:

WASHINGTON, D. C., December 31, 1895.

SIR: I have the honor to request that the attention of the Committees on Military Affairs of the House and Senate may be especially invited to the portion of the annual report of this office for the fiscal year 1895, which recommends the repeal of sections 1299 and 1300, R. S., and the amendment of section 1144 so as to read as follows:

"SEC. 1144. That the officers of the Subsistence Department shall procure and keep for sale to officers and enlisted men, at cost price for cash, such articles as may from time to time be designated by the Secretary of War: *Provided*, That sales of such stores on credit shall be made only to officers and enlisted men who have not been regularly paid, or who are in the field where it is impracticable to procure funds, and to recruits during their first month of enlistment, the amounts due therefor to be charged on the pay accounts of officers and on the muster and pay rolls of enlisted men next after the date of purchase, and deducted from the payments made upon such pay accounts or muster and pay rolls by the Pay Department."

In advocacy of the legislation here proposed I said, in the annual report referred to:

"The amendment here suggested will, if enacted, reduce clerical labor in the Subsistence Department at posts and in the Pay Department, and will result in considerable saving to the appropriations of the Subsistence Department. By the existing system these appropriations are now subject to losses by reason of desertions and other causes, which prevent the amounts due from sales on credit from being collected and restored to the current moneys of the Department. As the troops are now regularly paid, no hardship will be imposed upon them by the change to a cash basis. The amendment will, besides, confer on the Secretary of War statutory authority to designate the articles to be kept for sale. This authority, it is thought, should vest in the head of the Department of War rather than in subordinate officers."

The Paymaster-General of the Army, in his annual report for the same year, said in relation to this subject:

"It is recommended that section 1144 of the Revised Statutes be so amended as to permit credit sales of subsistence stores to enlisted men only when in the field, or where they can not be promptly paid. The post exchange furnishes at about cost price a large number of articles not included in the service ration. The soldier is permitted to purchase there on credit extending to one-fifth of his pay, and under

the section of the Revised Statutes above referred to he is permitted to purchase from the post commissary, on credit, to the extent of his unincumbered pay, not exceeding in any month the amount of his monthly pay. The result is that when he is paid at the end of the month his pay is mostly, if not entirely, absorbed in paying these debts, oftentimes leaving him still owing the company tailor, laundress, and others. In other words, the credit system involves continual indebtedness and should not be encouraged; nor should it be permitted where Government stores are involved, except when the exigencies of the service warrant it."

I should be glad if the Secretary of War would give these recommendations the weight of his approval in submitting them to the committees referred to.

Very respectfully,

M. R. MORGAN,
Commissary-General of Subsistence.

The SECRETARY OF WAR.

The Secretary of War having approved the recommendation of General Morgan, and it being apparent that there should be a change in the present credit system, your committee recommend the passage of the accompanying bill.

